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|---|--|---|--|--|--|
| B1 Official Form 1<br>(12/07)   |  | <b>United State Bankruptcy Court</b><br><b>SOUTHERN DISTRICT OF NEW YORK</b>  |  | <b>Voluntary Petition</b>  |  |
| Name of debtor (if individual, enter Last, First, Middle):<br>Pace Product Solutions, Inc.,   |  | Name of Joint Debtor (Spouse)(Last, First, Middle),<br>   |  |  |  |
| All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): N/A  |  | All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names):  |  |  |  |
| Last four digits of Soc. Sec./Complete EIN or other Tax ID No. (if more than one, state all): 20-3041414  |  | Last four digits of Soc. Sec./Complete EIN or other Tax ID No.. (if more than one, state all):  |  |  |  |
| Street Address of Debtor (No. & Street, City, State, & Zip Code)<br>304 East 78 <sup>th</sup> Street, Apt. 5F<br>New York, NY 10021   |  | Street Address of Joint Debtor (No. & St., City, State & Zip Code)  |  |  |  |
| County of Residence or of the Principal Place of Business: New York   |  | County of Residence or of the Principal Place of Business:  |  |  |  |
| Mailing Address of Debtor (if different from street address):   |  | Mailing Address of Joint Debtor (if different from street address):   |  |  |  |
| Location of Principal Assets of Business Debtor (if different from street address above):   |  |   |  |  |  |
| <b>Type of Debtor</b><br>(Form of Organization)<br>(Check one box)<br><input type="checkbox"/> Individual(s)(Inc. joint debtors<br><i>See Exhibit D on page 2 of this form.</i><br><input checked="" type="checkbox"/> Corporation (Inc. LLC, LLP)<br><input type="checkbox"/> Partnership<br><input type="checkbox"/> Other: (If the debtor is not one of the above entities, check this box and State type of entity below) |  | <b>Nature of Business</b><br>(Check one box)<br><input type="checkbox"/> Health Care Business<br><input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. 101 (51B)<br><input type="checkbox"/> Railroad<br><input type="checkbox"/> Stockbroker<br><input type="checkbox"/> Commodity Broker<br><input type="checkbox"/> Clearing Bank<br><input checked="" type="checkbox"/> Other   |  | <b>Chapter or Section of Bankruptcy Code Under Which the Petition is filed</b> (Check one box)<br><input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding<br><input type="checkbox"/> Chapter 9 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding<br><input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12<br><input type="checkbox"/> Chapter 13 |  |
|   |  |   |  | <b>Nature of Debts</b> (Check one box)<br><input type="checkbox"/> Debts are primarily <b>Consumer</b> debts, defined in 11 U.S.C. 101(8) as "incurred by an individual primarily for a personal, family or household purpose"<br><input checked="" type="checkbox"/> Debts are primarily <b>Business</b> debts.   |  |
| <b>Filing Fee</b> (Check one box)   |  | <b>Chapter 11 Debtors</b><br>Check one box:<br><input type="checkbox"/> Debtor is a small business as defined in 11 U.S.C. 101<br><input checked="" type="checkbox"/> Debtor is Not a small business as defined in 11 U.S.C. 101<br><br>Check if:<br><input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts owed to noninsiders or affiliates are less than \$2,190,000.<br><br>Check all applicable boxes:<br><input checked="" type="checkbox"/> A plan is being filed with this petition.<br><input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. 1126(b) |  |  |  |
| <b>Statistical/Administrative Information</b>   |  |   |  |  |  |
| <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors.<br><input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors.   |  |   |  |  |  |
| Estimated Number of Creditors<br><input checked="" type="checkbox"/> 1-49 <input type="checkbox"/> 49-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1000-5000 <input type="checkbox"/> 5001-10000 <input type="checkbox"/> 10001-25000 <input type="checkbox"/> 25001-50000 <input type="checkbox"/> 50001-100000 <input type="checkbox"/> Over 100000                        |  |   |  |  |  |
| Estimated Assets<br><input type="checkbox"/> \$0 - \$50,001 - \$100,001 - \$500,001 - \$1,000,001 - \$10,000,001<br>\$50,000 \$100,000 \$500,000 \$1million \$10 million \$50 million \$50,000,001 to \$100 million \$100000001 to \$500 million \$500000001 to \$1 billion More than \$1 billion   |  |   |  |  |  |
| Estimated Liabilities<br><input type="checkbox"/> \$0 - \$50,001 - \$100,001 - \$500,001 - \$1,000,001 - \$10,000,001<br>\$50,000 \$100,000 \$500,000 \$1million \$10 million \$50 million \$50,000,001 to \$100 million \$100000001 to \$500 million \$500000001 to \$1 billion More than \$1 billion  |  |   |  |  |  |
| <b>THIS SPACE IS FOR COURT USE ONLY</b>   |  |   |  |  |  |

|  |               |  |                                |
|--|---------------|--|--------------------------------|
| <b>Voluntary Petition</b><br><i>(This page must be completed and filed in every case.)</i>   |               | Name of Debtor(s):<br>Pace Product Solutions, Inc.,  | <b>FORM B1, Page 2 (12/07)</b> |
| <b>All Prior Bankruptcy Cases Filed Within the last 8 Years</b> (if more than two, attach additional sheet.)   |               |  |                                |
| Location Where filed: N/A  | Case Number:  | Date Filed:  |                                |
| Location Where filed:  | Case Number:  | Date Filed:  |                                |
| <b>Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor</b> (If more than one, attach additional sheet)   |               |  |                                |
| Name of Debtor:<br>N/A   | Case Number:  | Date Filed:  |                                |
| District:  | Relationship: | Judge:   |                                |
| <b>Exhibit A</b>   |               | <b>Exhibit B</b>   |                                |
| (To be completed if the Debtor is required to file periodic reports (e.g., forms 10K and 10Q with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11)   |               | (To be completed if Debtor is an individual whose debts are primarily consumer debts.)<br><br>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each chapter. I further certify that I have delivered to the debtor the notice required by §342 of the Bankruptcy Code. |                                |
| <input type="checkbox"/> Exhibit A is attached and made a part of this petition.   |               | X /S/ Daniel M. Katzner  | 07/10/2008                     |
|  |               | Daniel M. Katzner, Esq., Attorney for Debtor(s) Date   |                                |
| <b>Exhibit C</b>   |               |  |                                |
| Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?   |               |  |                                |
| <input type="checkbox"/> Yes, and Exhibit C is attached and made part of this petition.<br><input checked="" type="checkbox"/> No  |               |  |                                |
| <b>Exhibit D</b>   |               |  |                                |
| (To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D)  |               |  |                                |
| <input type="checkbox"/> Exhibit D completed and signed by the debtor is attached and made a part of this petition.<br>If this is a joint petition:<br><input type="checkbox"/> Exhibit D completed and signed by the joint debtor is attached and made a part of this petition.   |               |  |                                |
| <b>Information Regarding the Debtor - Venue</b>  |               |  |                                |
| (Check any applicable box)   |               |  |                                |
| <input checked="" type="checkbox"/> Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.<br><input type="checkbox"/> There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.<br><input type="checkbox"/> Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court ] in this District, or the interests of the parties will be served in regard to the relief sought in this District. |               |  |                                |
| <b>Certification by a Debtor Who Resides as a Tenant of Residential Property</b>   |               |  |                                |
| Check all applicable boxes.  |               |  |                                |
| <input type="checkbox"/> Landlord has a judgment against the debtor for possession of the debtor's residence. (If box checked, complete the following.)  |               |  |                                |
| (Name of landlord that obtained judgment)  |               |  |                                |
| (Address of landlord)  |               |  |                                |
| <input type="checkbox"/> Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and<br><input type="checkbox"/> Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.<br><input type="checkbox"/> Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).   |               |  |                                |

|   |  |   |
|---|--|---|
| <b>Voluntary Petition</b><br>(This page must be completed and filed in every case.)   |  | Name of Debtor(s):<br>Pace Product Solutions, Inc.,   |
| <b>Signatures</b>   |  |   |
| <p><b>Signature(s) of Debtor(s) (Individual/Joint)</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct. [If the petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 11 .</p> <p>[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained the read the notice required by § 342(b) of the Bankruptcy Code.</p> <p>I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.</p> <p>X /S/<br/> _____<br/> , Debtor<br/> X<br/> _____<br/> , Joint Debtor<br/> _____<br/> Telephone Number (If not represented by attorney)<br/> Date</p> |  | <p><b>Signature of A Foreign Representative of a Recognized Foreign Proceeding</b></p> <p>I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign main proceeding, and that I am authorized to file this petition. (Check only <b>one</b> box)</p> <p><input type="checkbox"/> I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by § 1515 of title 11 are attached.</p> <p><input type="checkbox"/> Pursuant to § 1511 of title 11, United States Code, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign proceeding is attached.</p> <p>X<br/> _____<br/> (Signature of Foreign Representative)<br/> _____<br/> (Printed Name of Foreign Representative)<br/> _____<br/> (Date)</p>   |
| <p><b>Signature of Attorney*</b></p> <p>X /S/ Daniel M. Katzner<br/> _____<br/> Signature of Attorney for Debtor(s)<br/> Print below: Attorney Name, Code, Firm, Address, Telephone No:<br/> Daniel M. Katzner, Esq. Bar Number/Code: DK9689<br/> The Law Offices of Daniel M. Katzner, P.C.<br/> 1025 Longwood Avenue<br/> Bronx, New York 10459<br/> (718) 589-3999<br/> _____<br/> 07/10/2008<br/> Date<br/> *In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.</p>   |  | <p><b>Signature of Non-Attorney Petition Preparer</b></p> <p>I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h) and 342(b); and (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110 setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required by that section. Official Form 19B is attached.</p> <p>Printed or Typed Name and Title, if any, of Bankruptcy Petition Preparer<br/> _____<br/> Social Security number (If the bankruptcy petition preparer is not an individual, state the name, title (if any), address, and social security number of the officer, principal, responsible person, or partner who signs this document.) (Required by 11 U.S.C. § 110.)<br/> _____<br/> Address<br/> X _____<br/> Signature of Bankruptcy Petition Preparer or officer, principal, responsible person or partner whose social security number is provided above.<br/> Names and Social Security numbers of all other individuals who prepared or assisted in preparing this document, unless the bankruptcy petition preparer is not an individual:<br/> _____<br/> If more than one person prepared this document, attach additional signed sheets conforming to the appropriate Official Form for each person.<br/> <i>A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both. 11 U.S.C. § 110; 18 U.S.C. § 156.</i><br/> [Publisher's Note: This form is NOT intended to be used by nonattorney bankruptcy-petition preparers: Schedules do not contain all disclosures required for use by nonattorney bankruptcy-petition preparers.]</p> |

**UNITED STATES BANKRUPTCY COURT**  
**Southern District of New York**

## **Exhibit C to Voluntary Petition**

1. Identify and briefly describe all real and personal property owned by or in possession of the debtor that, to the best of the debtor's knowledge, poses or is alleged to pose a threat of imminent and identifiable harm to the public health or safety (attach additional sheets if necessary).

NONE

2. With respect to each parcel of real property or item of personal property identified in question 1, describe the nature and location of the dangerous condition, whether environmental or otherwise, that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety (attach additional sheets if necessary).

NONE

## UNITED STATES BANKRUPTCY COURT

### NOTICE TO INDIVIDUAL CONSUMER DEBTOR UNDER § 342(b) OF THE BANKRUPTCY CODE

In accordance with § 342(b) of the Bankruptcy Code, this notice: (1) Describes briefly the services available from credit counseling services; (2) Describes briefly the purposes, benefits and costs of the four types of bankruptcy proceedings you may commence; and (3) Informs you about bankruptcy crimes and notifies you that the Attorney General may examine all information you supply in connection with a bankruptcy case. You are cautioned that bankruptcy law is complicated and not easily described. Thus, you may wish to seek the advice of an attorney to learn of your rights and responsibilities should you decide to file a petition. Court employees cannot give you legal advice.

#### 1. Services Available from Credit Counseling Agencies

**With limited exceptions, § 109(h) of the Bankruptcy Code requires that all individual debtors who file for bankruptcy relief on or after October 17, 2005, receive a briefing that outlines the available opportunities for credit counseling and provides assistance in performing a budget analysis.** The briefing must be given within 180 days before the bankruptcy filing. The briefing may be provided individually or in a group (including briefings conducted by telephone or on the Internet) and must be provided by a nonprofit budget and credit counseling agency approved by the United States trustee or bankruptcy administrator. The clerk of the bankruptcy court has a list that you may consult of the approved budget and credit counseling agencies.

**In addition, after filing a bankruptcy case, an individual debtor generally must complete a financial management instructional course before he or she can receive a discharge.** The clerk also has a list of approved financial management instructional courses.

#### 2. The Four Chapters of the Bankruptcy Code Available to Individual Consumer Debtors

##### **Chapter 7: Liquidation (\$245 filing fee, \$39 administrative fee, \$15 trustee surcharge: Total fee \$299)**

1. Chapter 7 is designed for debtors in financial difficulty who do not have the ability to pay their existing debts. Debtors whose debts are primarily consumer debts are subject to a "means test" designed to determine whether the case should be permitted to proceed under chapter 7. If your income is greater than the median income for your state of residence and family size, in some cases, creditors have the right to file a motion requesting that the court dismiss your case under § 707(b) of the Code. It is up to the court to decide whether the case should be dismissed.

2. Under chapter 7, you may claim certain of your property as exempt under governing law. A trustee may have the right to take possession of and sell the remaining property that is not exempt and use the sale proceeds to pay your creditors.

3. The purpose of filing a chapter 7 case is to obtain a discharge of your existing debts. If, however, you are found to have committed certain kinds of improper conduct described in the Bankruptcy Code, the court may deny your discharge and, if it does, the purpose for which you filed the bankruptcy petition will be defeated.

4. Even if you receive a general discharge, some particular debts are not discharged under the law. Therefore, you may still be responsible for most taxes and student loans; debts incurred to pay nondischargeable taxes; domestic support and property settlement obligations; most fines, penalties, forfeitures, and criminal restitution obligations; certain debts which are not properly listed in your bankruptcy papers; and debts for death or personal injury caused by operating a motor vehicle, vessel, or aircraft while intoxicated from alcohol or drugs. Also, if a creditor can prove that a debt arose from fraud, breach of fiduciary duty, or theft, or from a willful and malicious injury, the bankruptcy court may determine that the debt is not discharged.

##### **Chapter 13: Repayment of All or Part of the Debts of an Individual with Regular Income (\$235 filing fee, \$39 administrative fee: Total fee \$274)**

1. Chapter 13 is designed for individuals with regular income who would like to pay all or part of their debts in instalments over a period of time. You are only eligible for chapter 13 if your debts do not exceed certain dollar amounts set forth in the Bankruptcy Code.

2. Under chapter 13, you must file with the court a plan to repay your creditors all or part of the money that you owe them, using your future earnings. The period allowed by the court to repay your debts may be three years or five years, depending upon your income and other factors. The court must approve your plan before it can take effect.

3. After completing the payments under your plan, your debts are generally discharged except for domestic support obligations; most student loans; certain taxes; most criminal fines and restitution obligations; certain debts which are not properly listed in your bankruptcy papers; certain debts for acts that caused death or personal injury; and certain long term secured obligations.

**Chapter 11: Reorganization (\$1000 filing fee, \$39 administrative fee: Total fee \$1039)**

Chapter 11 is designed for the reorganization of a business but is also available to consumer debtors. Its provisions are quite complicated, and any decision by an individual to file a chapter 11 petition should be reviewed with an attorney.

**Chapter 12: Family Farmer or Fisherman (\$200 filing fee, \$39 administrative fee: Total fee \$239)**

Chapter 12 is designed to permit family farmers and fishermen to repay their debts over a period of time from future earnings and is similar to chapter 13. The eligibility requirements are restrictive, limiting its use to those whose income arises primarily from a family-owned farm or commercial fishing operation.

**3. Bankruptcy Crimes and Availability of Bankruptcy Papers to Law Enforcement Officials**

A person who knowingly and fraudulently conceals assets or makes a false oath or statement under penalty of perjury, either orally or in writing, in connection with a bankruptcy case is subject to a fine, imprisonment, or both. All information supplied by a debtor in connection with a bankruptcy case is subject to examination by the Attorney General acting through the Office of the United States Trustee, the Office of the United States Attorney, and other components and employees of the Department of Justice.

**WARNING:** Section 521(a)(1) of the Bankruptcy Code requires that you promptly file detailed information regarding your creditors, assets, liabilities, income, expenses and general financial condition. Your bankruptcy case may be dismissed if this information is not filed with the court within the time deadlines set by the Bankruptcy Code, the Bankruptcy Rules, and the local rules of the court.

**Certificate of the Debtor(s)**

I (We), the debtor(s), affirm that I (we) have received and read this notice.

Boaz Bagbag  
Printed Name(s) of Debtor(s)

/s/ Boaz Bagbag  
Signature of Debtor

07/10/2008  
Date

Case No. (if known) \_\_\_\_\_

\_\_\_\_\_  
Signature of Joint Debtor (if any) Date

Certificate of [Non-Attorney] Bankruptcy Petition Preparer (Omitted)

**UNITED STATES BANKRUPTCY COURT**  
**Southern District of New York**

In re: Pace Product Solutions, Inc.  
Debtor(s)

Case No: \_\_\_\_\_

Chapter 11

**LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS**

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [*or* chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims.

| (1)<br>Name of Creditor and<br>Complete Mailing Address<br>Including Zip Code                            | (2)<br>Name, Telephone number and<br>complete mailing address,<br>including zip code, of<br>employee, agent or department<br>of creditor familiar with claim<br>who may be contacted | (3)<br>Nature of Claim (trade<br>debt, bank loan,<br>government contract,<br>etc.) | (4)<br>Indicate if<br>claim is<br>contingent,<br>unliquidated,<br>disputed or<br>subject to<br>setoff | (5)<br>Amount<br>of Claim [if<br>secured also<br>state value of<br>security]      |
|--|--|--|---|---|
| 1. Flash Sales, Inc.<br>1055 Franklin Avenue, Suite 206<br>Garden City, NY 11530                         | Flash Sales, Inc.<br>Attn: Joseph M.<br>1055 Franklin Avenue, Suite 206<br>Garden City, NY 11530<br>Telephone: (516) 741-8585  | Loan to purchase 2 <sup>nd</sup> part<br>of business                               | Disputed  | \$550,000   |
| 2. B & N Realty Holding Corp.<br>1055 Franklin Avenue, Suite 206<br>Garden City, NY 11530                | B & N Realty Holding Corp.<br>Attn: Joseph M.<br>1055 Franklin Avenue, Suite 206<br>Garden City, NY 11530<br>Telephone: (516) 741-8585   | Mortgage guarantee   | Disputed  | \$550,000   |
| 3. Summa Capital Corp.<br>Empire State Building<br>350 Fifth Avenue, Suite 7612<br>New York, NY 10118    | Summa Capital Corp.<br>Attn: Howard Schulder<br>Empire State Building<br>350 Fifth Avenue, Suite 7612<br>New York, NY 10118<br>Telephone: (212) 244-1200                             | Loan to purchase<br>inventory  | Disputed  | \$1,500,000<br>(Security<br>interest in<br>inventory<br>valued at<br>\$1,000,000) |
| 4. Chase<br>800 Brookside Blvd<br>Westerville, OH 43081  | Chase<br>Attn: Small Business Dept.<br>800 Brookside Blvd<br>Westerville, OH 43081<br>Telephone: (800) 714-7408  | Bank loan to business  | Disputed  | \$280,000   |
| 5. North Fork Bank d/b/a Capital<br>One Bank<br>201 St. Charles Ave, 16th Floor<br>New Orleans, LA 70130 | North Fork Bank d/b/a Capital<br>One Bank<br>Attn: Small Business Dept.<br>201 St. Charles Ave, 16th Floor<br>New Orleans, LA 70130<br>Telephone: 1-800-655-2265                     | Bank loan to business  | Disputed  | \$250,000   |
| 6. Pace Auto Parts, Inc.<br>10 Park Avenue, Suite 2A<br>New York, NY 10016                               | Pace Auto Parts, Inc.<br>Attn: Ms. Matta<br>10 Park Avenue, Suite 2A<br>New York, NY 10016<br>Telephone: (212) 279-4550  | Loan to purchase 1 <sup>st</sup> part<br>of corporation                            | Disputed  | \$250,000   |
| 7. Robert Bosch, LLC<br>2800 South 25 <sup>th</sup> Avenue<br>Broadview, IL 60155                        | Robert Bosch, LLC<br>Attn: General Manager<br>2800 South 25 <sup>th</sup> Avenue<br>Broadview, IL 60155<br>Telephone: (708) 865-5200   | Trade debt   | Disputed  | \$162,000   |

| (1)<br>Name of Creditor and<br>Complete Mailing Address<br>Including Zip Code    | (2)<br>Name, Telephone number and<br>complete mailing address,<br>including zip code, of<br>employee, agent or department<br>of creditor familiar with claim<br>who may be contacted | (3)<br>Nature of Claim (trade<br>debt, bank loan,<br>government contract,<br>etc.) | (4)<br>Indicate if<br>claim is<br>contingent,<br>unliquidated,<br>disputed or<br>subject to<br>setoff | (5)<br>Amount<br>of Claim [if<br>secured also<br>state value of<br>security] |
|--|--|--|---|--|
| 8. Honeywell, Inc.<br>39 Old Ridgebury Road<br>Danbury, CT 06810                 | Honeywell, Inc.<br>Attn: President<br>39 Old Ridgebury Road<br>Danbury, CT 06810<br>Telephone: (203) 830-7800  | Trade debt   | Disputed  | \$372,000  |
| 9. Davis Electronics<br>419 Park Avenue South, Ste 504<br>New York, NY 10010     | Davis Electronics<br>Attn: Jason Levine<br>419 Park Avenue South, Ste 504<br>New York, NY 10010<br>Telephone: (212) 532-5881   | Trade debt   | Disputed  | \$40,000   |
| 10. Harlington Realty<br>419 Park Avenue South, Ste 504<br>New York, NY 10010    | Harlington Realty<br>Attn: Jason Levine<br>419 Park Avenue South, Ste 504<br>New York, NY 10010<br>Telephone: (212) 532-5881   | Trade debt   | Disputed  | \$32,000   |
| 11. Universal Auto<br>419 Park Avenue South, Ste 504<br>New York, NY 10010       | Universal Auto<br>Attn: Jason Levine<br>419 Park Avenue South, Ste 504<br>New York, NY 10010<br>Telephone: (212) 532-5881  | Trade debt   | Disputed  | \$20,000   |
| 12. Rony Abudi<br>Attn: Bruce Lederman<br>567 Broadway<br>Massapequa, NY 11758   | Rony Abudi<br>Attn: Bruce Lederman<br>567 Broadway<br>Massapequa, NY 11758<br>Telephone: (917) 295-1565  | Trade debt   | Disputed  | \$160,000  |
| 13. Uzi Evron<br>Attn: Bruce Lederman<br>567 Broadway<br>Massapequa, NY 11758    | Uzi Evron<br>Attn: Bruce Lederman<br>567 Broadway<br>Massapequa, NY 11758<br>Telephone: (917) 295-1565   | Trade debt   | Disputed  | Same as<br>above   |
| 14. Doron Kessel<br>Attn: Bruce Lederman<br>567 Broadway<br>Massapequa, NY 11758 | Doron Kessel<br>Attn: Bruce Lederman<br>567 Broadway<br>Massapequa, NY 11758<br>Telephone: (917) 295-1565  | Trade debt   | Disputed  | Same as<br>above   |
| 15.  |  |  |   |  |
| 16.  |  |  |   |  |
| 17.  |  |  |   |  |
| 18.  |  |  |   |  |
| 19.  |  |  |   |  |
| 20.  |  |  |   |  |

I declare under penalty of perjury that I have read the answers contained in the foregoing list of the creditors holding the 20 largest unsecured claims and any attachments thereto and that they are true and correct.

Date: 07/10/2008

Signature of  
Debtor

/s/ Boaz Bagbag  
/S/ Signature

Boaz Bagbag, President  
Print Name and Title

**UNITED STATES BANKRUPTCY COURT**  
**Southern District of New York**

In re: Pace Product Solutions, Inc.  
Debtor(s)

Case No: \_\_\_\_\_

Chapter 11

**DISCLOSURE OF COMPENSATION OF BANKRUPTCY PETITION PREPARER**

[Must be filed with the petition if a bankruptcy petition preparer prepares the petition. 11 U.S.C. § 110(h)(2).]

1. Under 11 U.S.C. § 329(a) and Fed. Bankr. P. 2016(b), I certify that I am the attorney for the above-named debtor(s) and that compensation paid to me within one year before the filing of the petition in bankruptcy, or agreed to be paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

|   |  |
|---|--|
| For legal services, I have agreed to accept.....            | \$ <u>200 per hour // \$5,000 Retainer</u> |
| Prior to the filing of this statement I have received... .. | \$ <u>5,000.00 Retainer</u>                |
| Balance Due.....  | \$ <u>0.00</u>                             |

2. The source of the compensation paid to me was:

Debtor       Other (specify)

3. The source of compensation to be paid to me is:

Debtor       Other (specify)

4.  I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

I have agreed to share the above-disclosed compensation with an other person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation, is attached.

5. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

- a. Analysis of the debtor's financial situation, and rendering advice to the debtor in determining whether to file a petition in bankruptcy;
- b. Preparation and filing of any petition, schedules, statements of affairs and plan which may be required;
- c. Representation of the debtor at the meeting of creditors, adversary proceedings, hearings, etc.
- d. All related and necessary work for Debtor's Chapter 11 Proceeding;

6. By agreement with the debtor(s), the above-disclosed fee does not include the following services:

- a. Representation of the debtor in any matter not related to the Chapter 11 Bankruptcy; ;
- b. Representation of the debtor for any type of federal or state tax advice, opinion, negotiation, or any other matters pertaining to the discharge of any tax under any state or federal law.

**CERTIFICATION**

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

Dated: 07/10/2008

/s/ Daniel M. Katzner  
/S/ Daniel M. Katzner  
Attorneys for Debtor(s)